



US DEPARTMENT OF STATE:

VENDOR MANAGEMENT PLAN

**Category Management Office
June 2020**

Article I. Introduction

Section 1.01 Department of State (DOS) Mission

The U.S. Department of State leads America’s foreign policy through diplomacy, advocacy, and assistance by advancing the interests of the American people, their safety and economic prosperity. With regards to the methods of operations for the Department, the President’s Management Agenda challenges all agencies to deliver 21st Century services by modernizing information technology, increasing transparency and accountability, and building an advanced workforce. Each of these directives will have a role in developing the DOS relationships with its vendors.

Section 1.02 Vendors’ Role in Mission Delivery

While the Diplomatic Mission of the State Department is a uniquely governmental function, many aspects of operating and managing a strong organization are not uniquely governmental functions and can therefore be supplied by or supported by the vast supplier community, both domestic and foreign. For this support, it is critical to maintain a viable and innovative industrial base, promote worldwide economic development, and support mission critical functions for every bureau within the Department of State. This includes frequent communication and engagement with our critical small business community, with additional information found here - <https://www.state.gov/bureaus-offices/office-of-small-and-disadvantaged-business-utilization/>

Access to current market information is critical for DOS Program Managers as they define requirements and develop acquisition strategies in collaboration with the assigned Contracting Officers. DOS encourages productive communications between all bureaus and our industry partners to ensure a solid understanding of the marketplace and to negotiate and award contracts for effective solutions at reasonable prices.

Section 1.03 Basic Principles of Working with Vendors

Early, frequent, and constructive engagement with industry is a fundamental practice when planning DOS acquisitions. Conversely, inadequate industry engagement in the acquisition planning process can reduce the clarity of DOS requirements and the effectiveness of our vendor engagements, especially the contracts that manage each particular working relationship. Artificial barriers to engagement often stem from an abbreviated planning horizon or from misconceptions among members of the acquisition community about appropriate vendor communications.

Vendor communications are critical at each stage of the Industry Engagement Process—basic market awareness, pre-award market research, solicitation and award for a specific contract, post-award communication and detailed performance expectation setting, operational performance and contract administration. Basic business and social good practices are to be extended by and to all stakeholders in the vendor / DOS operating environment—simple practices such as responding to emails or phone calls within 24 hours, keeping appointments to the times and durations that have been previously scheduled, or directly explaining reasons for any changes. These are the most basic and simplest with which to conform by both vendors and the Department.

Section 1.04 The DOS Vendor Relationship Plan

This initial exposition of the DOS Vendor Management Plan is to establish basic operating principles that will apply across the entire Department and, since these are universally applicable and for the most part already in use, are effective immediately.

This Vendor Management Plan will mature as both DOS personnel and vendors/suppliers become comfortable with the framework, and all stakeholders become increasingly detailed in terms of expectations of both the supplier community and the internal operations of the DOS. Part of this maturation includes a continuing review of the effectiveness of communications from all stakeholders on major contracts. This continuous review will strengthen the understanding of mutual expectations of both vendors and the Department, with the goal of attaining “most desired customer” status with key vendors.

Article II. Principles of Industry Engagement

Section 2.01 Dispelling Common Misconceptions

The Federal Office of Management and Budget (OMB) has published a series of documents addressing various myths that have grown up around the topic of vendor relationships across the Federal Procurement sector:

[“Myth-Busting: Addressing Misconceptions to Improve Communication with Industry during the Acquisition Process \(February 2, 2011\)”](#)

[“Myth-Busting 2: Addressing Misconceptions and Further Improving Communication During the Acquisition Process \(May 7, 2012\)”](#)

[“Myth-busting 3: Further Improving Industry Communication with Effective Debriefings \(January 5, 2017\)”](#)

[“Myth-busting 4 – Strengthening Engagement with industry Partners through Innovative Business Practices \(April 30, 2019\)”](#) [A list of additional misconceptions can be found in this OMB memorandum, attachment 2.]

The Department is committed to fostering open communication with industry. In order to strengthen our communications, we must first identify and address our communication gaps. Some of the misconceptions that hinder effective communication between government and industry are:

- A. **Misconception:** “We can’t meet one-on-one with a potential offeror.”
Clarification: Government officials can generally meet one-on-one with potential offerors as long as no vendor receives preferential treatment.

- B. **Misconception:** "A protest is something to be avoided at all costs - even if it means the government limits conversation with industry."
Clarification: Restricting communication won't prevent a protest, and limiting communication might actually increase the chance of a protest - in addition to depriving the government of potentially useful information.
- C. **Misconception:** "Industry days and similar events attended by multiple vendors are of low value to industry and the government because industry won't provide useful information in front of competitors, and the government doesn't release new information."
Clarification: Well-organized industry days, as well as pre-solicitation and pre-proposal conferences, are valuable opportunities for the government and for potential vendors - both prime contractors and subcontractors, many of whom are small businesses.
- D. **Misconception:** "Getting broad participation by many different vendors is too difficult; we're better off dealing with established companies we know."
Clarification: The government loses when we limit ourselves to only the companies with whom we already work. Instead, we need to look for opportunities to increase competition and ensure that all vendors, including small businesses, get fair consideration.

In order to dispel these misconceptions and strengthen DOS-vendor communications, DOS supports the following best practices:

- a. Communicate early, frequently, and constructively with industry;
- b. Continually strengthen the partnership between the Office of Small and Disadvantaged Business Utilization (OSDBU) and the acquisition community to facilitate effective communications with small businesses and the various subgroups;
- c. Expand competition to include vendors that the agency has not worked with in the past;
- d. Identify which procurements in the agency's published procurement forecast (e.g., for mission-critical complex, state-of-the-art requirements) may require enhanced pre-solicitation communication strategies; and
- e. Protect non-public information, which includes vendors' confidential information and the agency's source selection information.

Section 2.02 Broad outreach

Collaborative DOS-vendor engagement is crucial to enhance the effectiveness and quality of DOS acquisition decisions. Technical expertise is dispersed across industry; DOS officials need access to that expertise to make informed decisions.

Limiting access to industry knowledge and expertise can result in contracts that are difficult to manage due to poorly-defined requirements. Enhanced communications between Government and industry are vital to define and convey requirements clearly and realistically within the market

environment, appropriately assess and assign risk for the effort, and set respective cost, schedule, and performance expectations to ensure effective contract management.

The Federal Acquisition Regulation (FAR) authorizes a broad range of options for vendor communication throughout the acquisition process. Awareness of these options is all too often limited to a relatively small cadre of staff within acquisition teams.

DOS will take direct measures to engage the broader acquisition community, comprised of program managers and executives in addition to the professional procurement staff, to increase awareness of available avenues to best engage the private sector. This increased awareness will enable both the DOS acquisition community and industry to optimize interactions, making the best use of available time and resources. Towards this end the department is developing a consolidated communication roster to regularly communicate acquisition-related issues and initiatives, and to build a sense of common cause and community.

DOS is committed to an active effort to educate and refresh the acquisition community regarding effective means of vendor engagement. This education campaign will enhance information exchange within the department and with the private sector to improve the quality and cost effectiveness of DOS-acquired products and services.

Section 2.03 Use of various forums for staying up to date with developments of industry capabilities

One proven method to encourage new vendor participation in the federal procurement process, solicit industry feedback, and reduce unnecessary restrictions and barriers to procurements is holding industry days. Early and constructive exchange of information is crucial to effective acquisition management, which will result in realistic, well-defined requirements. The DOS will leverage the industry's technical knowledge and feedback to achieve optimal acquisition solutions that properly considered industry capabilities with Government requirements.

Section 2.04 Commitment to development of small businesses and other socio-economic vendor criteria

The Office of Small and Disadvantaged Business Utilization (OSDBU) works with industry partners, the acquisition professionals, and program offices to maximize prime and subcontracting opportunities for U.S. Small Businesses. DOS encourages both new and established small businesses to participate fully in the broad acquisition process.

Article III. Expectations of our vendors

Section 3.01 Business behaviors

Vendors should clearly detail their corporate capabilities and explain explicitly how they will meet the scope of each particular contractual requirement – overpromising and underdelivering is not acceptable; vendors should understand their own limitations and constraints.

Regular reporting requirements will be explicit in each contract.

Section 3.02 Communications of conditions and performance

- Vendors should report regularly to the CO and the COR (weekly, monthly, quarterly, etc.). The specific reporting plan and schedule of vendor communication should be included and mutually agreed upon;
- Vendors will invest in understanding our security clearance requirements and the guidance associated with maintaining the appropriate clearance for the work being performed
- Vendors will review and understand our data sharing / ownership conditions
- By establishing an environment of collaboration, we hope that vendors will feel empowered to communicate issues early and often
- Miscommunication often results in redundant work being performed, wasting both vendor and DOS resources.

Article IV. Expectations for ourselves in our vendor relationships

Section 4.01 Personnel Roles and Responsibilities

Departmental Direction:

Senior Procurement Executive (SPE)

- The DOS Senior Procurement Executive has the overall responsibility for direction of the DOS's vendor engagement efforts and has support from the highest management levels within the agency. The following positions have the shared responsibility to execute an effective Vendor Management Plan: Senior Procurement Executive, Bureau Executives, OSDDBU Director, Category Management Director and the Department's Competition Advocate.

- The Senior Procurement Executive (SPE) is responsible for promoting vendor engagement, updating this Plan as needed, and overseeing Heads of Contracting Activity (HCA) implementation of the Plan

Heads of Contracting Activity (HCA)

- HCAs are responsible for removing any unnecessary communication barriers and taking active steps to increase engagement with industry, including large and small businesses.

Specific Program Working Relationships and Contractual Parameters:

a) Program/Project Manager

- Assists in vendor management strategies with their expertise in specific functional areas - Assists the CO in determining the type(s) of exchanges with industry that would be most beneficial and will take place with industry before receipt of proposals.
- Assists in collaboration events - If determined appropriate, will assist in set-up of collaboration through MAX or another social media tool and monitor/contribute to the exchange as part of collaboration team.
- Maintains relationships - Maintains proper business relationships with contractor employees in a cooperative effort involving the CO and other program personnel involved in contract management.
- Informs CO - Always keeps the CO advised of issues relating to interactions with industry.
- Assists CO – Assists CO in locating possible sources for competition.
- Prepares usage Forecast – Participates in Forecast meetings and acquisition planning.

b) Contracting Officer's Representative (COR)

- Provides technical direction - Responsible for providing technical direction and ensuring the contractor does not perform inherently governmental functions or unauthorized personal services and that contract management controls are enforced.
- Performs Review - Responsible for supporting personal services reviews on contracts susceptible to improper contractor relationships.
- Technical communication - May engage in technical communication with contractors or issue technical direction, but is not authorized to initiate and/or modify contracts.
- Informs CO - Always keeps the CO advised of issues relating to interactions with the contractor, both the regular reporting requirements and through ad hoc communications as both necessary and appropriate.
- Provides feedback – Provides feedback and suggestions for communication improvements on an ongoing basis.

c) Contracting Officer (CO)

- Determines pre-award communication plan - With input from program office and other Government advisory groups, determines the type(s) of exchanges that will take place with industry before receipt of proposals, who will be involved, timing etc.
- Hosts vendor collaboration opportunity – If determined appropriate, will post the vendor collaboration opportunity on FedBizOpps, assist in set-up of collaboration through MAX or other social media tool, and monitor/contribute to the exchange as part of collaboration team.
- Reviews business operational requirements – Reviews requirements and consults with Competition Advocate and OSDBU for opportunities to maximize small business participation.
- Maintains relationships – Develops and maintains proper business relationships between contractor employees, the CO, and program personnel involved in contract management. Acts

as a conduit to leverage those relationships toward improving the Government acquisition process.

- Requirement determination - Responsible for determining, prior to award, that a contract does not include inherently governmental functions or unauthorized personal services and that controls are in place to protect against contract management vulnerabilities.
- Conduct debriefings – Responsible for post-award debriefings on competitive procurements.
- Investigates claims - Responsible for investigating any claims of inappropriate interaction with contractors, and taking appropriate action if necessary to ensure proper contractual relationships.
- Technical communication - May engage in technical communication with contractors; authorized to initiate and/or modify contracts and issue technical direction.
- Forecasts - Participates in Forecast meetings.
- Documents – Documents and maintains contract file.

d) Industry Liaison

- The DOS Industry Liaisons serve as a conduit among acquisition stakeholders by promoting strong agency vendor communication practices.

e) General Counsel

- Provides guidance - Provides legal advice and guidance.
- Presents training - Presents training to DOS staff on legal issues surrounding communications with industry such as “Conflicts of Interest” and “Discussions and Other Exchanges with Offerors.”

f) Ethics Officers

- Provide guidance - Provide guidance to Federal employees regarding maintaining proper business relationships with contractor employees.
- Assist in interpretation - Assist in interpretation of ethics rules and applications.
- Assist in issues - Assist with ethics issues, such as social media utilization.
- Advise on interactions - Advise on interactions with contractors, financial conflicts of interest, and accepting gifts.

g) OSDBU

- Promotes vendor engagement - Host numerous events throughout the year to reach out to the small business community and to learn about companies that DOS has never done business with previously.

- Assists CO - Assists COs in researching small businesses to identify capabilities that might align with DOS requirements.
- Assists in Forecast – Participates in Forecast meetings.
- Vendor database: Maintains information on vendor capabilities for referral on DOS procurements.

h) Competition Advocate

- Promotes vendor engagement - Organizes small business Contractor Forums regularly.
- Posts vendor collaboration opportunities – If determined appropriate, will post vendor collaboration opportunities on FedBizOpps; may monitor/contribute to vendor collaborations.
- Assists CO - Assists COs in researching small businesses for requirements.
- Assists in Forecast – Participates in Forecast meetings.

i) Acquisition Policy and Business Operations

- Provides guidance – Keeps acquisition personnel apprised of information and training on vendor communication by issuing guidance through Procurement Information Bulletins, Acquisition Memorandums, postings on DOS Intranet, and mini-training sessions.
- Monitors communication plan – Reviews and updates communication plan as necessary; keeps personnel informed of changes.

j) Other Officials

- All Federal employees interacting with contractors are responsible for ensuring their interactions are fair, impartial, and in compliance with Federal and Agency acquisition and ethics policy
- All Federal employees are responsible for protecting sensitive information
- Information Security Officers assist with issues related to safeguarding sensitive information

Article V. Basic Vendor Management Plan Improvements for Use with all Vendors

The focus for ways to improve our vendor management strategies will be continuation of current developments as well as new efforts. These include:

- Improving the timing of Acquisition Planning and communication:
 - Explore automated workflow tools
 - Enhance Contract Lifecycle Management
 - Continuous Process Improvement

- Explore opportunities to increase contract awards in quarters 1, 2, and 3 of the Federal fiscal year
- Improve Acquisition Forecasting and timing of the forecasts
- Ongoing review of the Vendor Management Plan:
 - Process
 - Procedures
 - Content / timing
 - Methods
- Review of acquisition team structure, assignments, and areas of focus, including improvement in tools and regular training.

Article VI. Enable Annual Reporting to OMB:

Cross-Agency Priority (CAP) Goals are a tool used by leadership to accelerate progress on a limited number of Presidential priority areas where implementation requires active collaboration among multiple agencies. Long-term in nature, CAP Goals drive cross-government collaboration to tackle government-wide management challenges affecting most agencies. As a subset of Presidential priorities, CAP Goals are used to implement the President's Management Agenda and are complemented by other cross-agency coordination and goal-setting efforts. CAP Goals are updated or revised every four years with each Presidential Administration's term. (https://www.performance.gov/about/CAP_about.html)